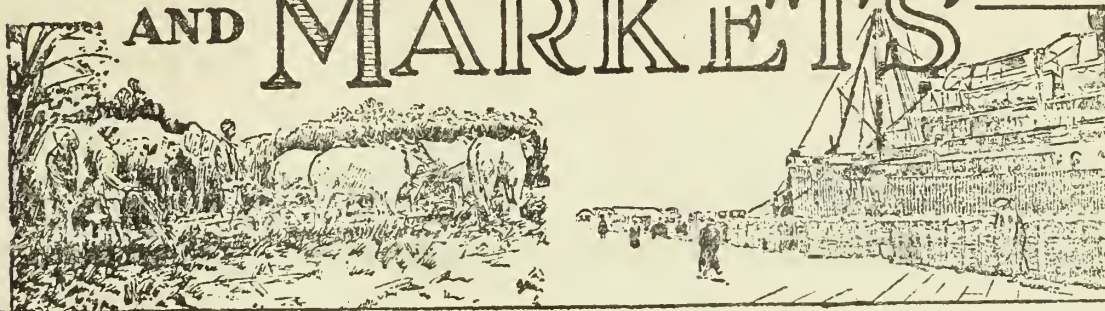


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FOREIGN CROPS AND MARKETS



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FEATURE ARTICLE

MEDITERRANEAN OLIVE OIL PRODUCTION

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L A T E C A B L E S

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The 1935-36 Australian wheat crop shows considerable variation. Conditions in Western Australia range from mediocre to good; fairly good yields are expected in South Australia; average yields may be obtained in New South Wales; and plentiful yields are indicated for Victoria. (International Institute of Agriculture, Rome, December 16, 1935.)

German late potato crop estimated at 1,459,078,000 bushels as compared with 1,632,448,000 bushels produced in 1934. (International Institute of Agriculture, Rome, December 16, 1935.)

Sydney, Australia, wool sales closed December 19 with strong general competition compared with opening of series on December 9. Prices were unchanged. (Agricultural Attaché C. C. Taylor, December 19, 1935.)

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BREAD GRAINS

Summary of recent production estimates

The 1935 wheat crop of 47 countries reporting totals 3,363,354,000 bushels as compared with 3,351,617,000 bushels produced in 1934, when these countries accounted for about 96 percent of the estimated world total, excluding Russia and China. Production in the United States was revised to 603,199,000 bushels, a gain of 21 percent over the crop of 1934. Winter wheat was estimated at 433,447,000 bushels and spring varieties at 169,752,000 bushels. The estimated crop of the United Kingdom was increased by upward revisions for England and Wales and for Scotland, now standing about 5,000,000 bushels under the total outturn of 1934.

A continuation of unfavorable crop conditions in Argentina resulted in a reduction in the earlier unofficial estimate, and the crop is now placed at 147,000,000 bushels. Estimates for the Union of South Africa and Kenya Colony are reported at 17,870,000 and 712,000 bushels, gains of 16 and 18 percent, respectively, over the 1934 crops of these countries.

The 1935 rye production of 30 countries reporting was increased to 962,322,000 bushels by an upward revision in the United States crop. This compares with 926,121,000 bushels produced by these countries in 1934. The December estimate for the United States rye crop indicates an outturn this season more than 3 times as large as that of 1934.

Current changes in wheat and rye production estimates

Country and commodity	Reported up to Dec. 19, 1935	Reported up to Dec. 23, 1935	1934
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Wheat</u>			
45 countries reported....	3,344,015		
United States.....	598,935	603,199	496,920
United Kingdom.....	62,500	a/ 65,166	69,775
Hungary.....	b/ 80,800	73,946	64,824
Rumania.....	b/ 99,200	102,881	75,553
Argentina.....	c/ 150,000	c/ 147,000	240,669
Union of South Africa..		17,870	15,343
Kenya Colony.....		712	601
47 countries reported....		3,363,354	3,351,617
<u>Rye</u>			
30 countries reported....	d/ 956,622		
United States.....	52,236	57,936	16,045
30 countries reported....		962,322	926,121

a/ The crop of England and Wales is placed at 60,590,000 and that of Scotland at 4,443,000 bushels. b/ Estimate of the Belgrade office, Foreign Agricultural Service. c/ Unofficial. d/ Slightly revised by minor changes.

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France authorizes wheat exports and denaturing

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New wheat legislation was enacted in France and became effective with the promulgation of three decrees in the Journal Officiel of November 26 and 27, 1935. These decrees provide for the compulsory use by millers of 40 percent of "taken-in-charge" wheat instead of the former 25 percent, the non-subsidized export of bread wheat offset by sales of government-owned "security-stock" wheat within France, and the resumption of subsidized denaturing of "taken-in-charge" wheat.

Increase in compulsory use of "taken-in-charge" wheat

Since July 1935 there have been two categories of wheat in France, "free" and "taken-in-charge". There is a fixed price of 88 francs per quintal (\$1.58 per bushel) on the "taken-in-charge" wheat and, until November 26, 1935, millers were compelled to use this wheat up to 25 percent of their milling requirements, buying the remainder on the free market. Although the quantity of "taken-in-charge" wheat is not definitely known, it was estimated to have been about 10,500,00 quintals (38,600,000 bushels) on August 1, 1935.

The new legislation decrees that beginning on November 27, 1935, millers must incorporate 40 percent of "taken-in-charge" wheat in their grist at the fixed price of 88 francs per quintal (\$1.58 per bushel), thus leaving only 60 percent of their requirements to be bought on the free market. It is believed that this was done to facilitate the liquidation of "taken-in-charge" wheat, made up largely of 1934 grain which is of a poor quality for storing.

Non-subsidized exports of wheat

Article 6 of the law of December 24, 1934, authorized the French Government to purchase domestic wheat for the formation of a "security-stock". Purchases under this law were undertaken mainly to relieve the market of burdensome supplies existing at that time; and, although no definite figures have been released, it appears that the Government bought at least 5,500,000 quintals (20,200,000 bushels) out of the possible 6,000,000 quintals (22,000,000 bushels) which were authorized. The law stipulated specifically that this stock was not to be placed on the market as long as the mixing regulations required the use of 100 percent domestic wheat, as is the case at present.

The new decree authorized the exportation of domestic wheat without subsidy, which will be offset by government sales of similar quantities of wheat from the "security stock". It should be noted that the present operation involves selling the "security stock" on the domestic market, but

CROP AND MARKET PROSPECTS, CONT'D

the Government apparently feels this is justified so long as equivalent quantities of domestic grain are exported. The procedure on exports provides that the Minister of Agriculture will announce sales of "security-stock" wheat and call for bids. Before deliveries are made, purchasers must deposit in the Treasury the amount of the purchase price and prove that they have already exported corresponding amounts of domestic bread wheat, or equivalent quantities of flour or bran, to countries other than French possessions. Proceeds from the sale of "security-stock" wheat are to be deposited in the "Special Wheat Account", and the funds realized will be used by the Government in carrying out the new subsidized denaturing program which is contemplated.

Resumption of subsidized denaturing of "taken-in-charge" wheat

The third decree authorized the denaturing of "taken-in-charge" wheat with payment by the Government of 30 francs for every quintal of wheat denatured (\$0.54 per bushel). Wheat to be denatured must not contain more than 5 percent impurities, 5 percent small wheat, or 8 percent broken wheat. All other denaturing operations follow the lines laid down by previous legislation. This granting of subsidies for surplus disposal of wheat is in direct contradiction to the stipulations of the decree-law issued on October 31, 1935. a/

It is believed that the new policy for furthering the export and denaturing of wheat has a two-fold objective; the improvement of domestic wheat prices and the elimination of the "taken-in-charge" wheat, which is composed largely of 1934 grain of poor-keeping quality. Although the statistical position of wheat in France was greatly improved by the short crop of 1935, a small excess above the normal carry-over may still be anticipated on August 1, 1936. For this reason, the market has been weak, and prices have failed to reach levels desired by producers and organized agriculturists. Furthermore, the "taken-in-charge" wheat is said to be deteriorating rapidly, and pressing offers on the part of cooperative associations holding this type of wheat tend to react unfavorably on the market.

Oriental wheat marketsChina

The Shanghai flour market declined during the week ended December 13, according to a radiogram from the Shanghai office of the Foreign Agricultural Service. This was attributed to the poor flour demand prevailing and to the selling of stocks necessitated by the financial failure of a local

a/ See "Foreign Crops and Markets," December 16, 1935.

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mill. Prices of foreign wheat continued to be too high to permit purchases of overseas grain, but domestic wheat arrivals were not in sufficient volume to meet the current needs of the mills, and interior supplies were becoming more difficult to obtain. Mills were still operating at 40-percent capacity, however, in spite of the poor demand from North China. Flour stocks had declined to 700,000 bags.

The price of Australian wheat, c.i.f. Shanghai duty included, for January shipment from New South Wales was quoted at 39 cents per bushel. Domestic standard wheat for January delivery was 76 cents per bushel. Domestic flour for December delivery was 86 cents per bag of 49 pounds, January 87 cents, and February 88 cents. Australian flour, c.i.f. Hong Kong, was quoted at \$3.33 per barrel of 196 pounds.

Recent information confirmed earlier reports of an increase of 20 percent in the 1935 wheat crop of North Manchuria over that of 1934, when 21,114,000 bushels were produced, and the quality of the grain is said to be the best in several years. Mills in Japan are no longer buying wheat from North Manchuria; it is thought that they prefer Canadian wheat for mixing purposes. Harbin mills are operating this season at a capacity greater than that of the past two years, and their output is competing with foreign flour as far south as Mukden. As a result of the higher prices prevailing, purchases of imported flour have declined in South Manchuria during the past 2 months.

Japan

There were still no prospects for the sale of United States wheat in Japan on December 2, according to information transmitted from Consul Chapman at Tokyo by the Shanghai office of the Foreign Agricultural Service. The Japanese flour market was firm, and mills were operating at almost full capacity, with good domestic and fairly good export demand. Stocks of wheat on hand were somewhat above normal for the season of the year. Imports of wheat during October were reported as follows, with 1934 comparisons in parentheses: Australia 710,000 bushels (1,169,000), Argentina 64,000 (0), Manchuria 134,000 (0), total 908,000 bushels (1,471,000). Flour exports amounted to 175,363 barrels as compared with 310,319 barrels reported for October 1934.

Wheat at the mill on December 2 was quoted as follows, duty and landing charges included: Western White No. 2, \$1.28 per bushel; Canadian No. 1, \$1.81; No. 3, \$1.66; Australian \$1.11; Manchurian \$1.27. Domestic standard wheat was \$1.04 and Portland wheat, c.i.f. Yokohama, 93 cents per bushel, duty and landing charges excluded. The wholesale price of flour at the mill was \$1.11 per bag of 49 pounds.

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RICE

Summary of rice area and production estimates

The 1935 rice area in eight countries reporting by December 18 totaled 88,399,000 compared with 89,537,000 acres in the same countries in 1934 and 89,304,000 acres in 1933. Production data are not so readily available as acreage figures; however, a larger harvest than last year, but a smaller one than in 1933 or 1932, is noted in reporting countries.

The 1935 United States rice acreage was not greatly different from that in 1934, but was materially below the 1923-1932 average. Unfavorable weather delayed harvesting and caused some loss, but the yield per acre was above average. The 1935 United States crop was 1,068,000,000 pounds, cleaned basis, compared with 1,064,000,000 pounds produced in 1934, and 1,195,000,000 pounds, the 5-year (1923-1932) average. The rice crop in the Southern States (Louisiana, Texas, and Arkansas) moved rapidly to mills with mill receipts, August through November, aggregating 5,399,000 barrels (162 pounds each, rough basis) compared with 3,964,000 barrels in the same months of 1934. The marketing of the smaller 1935 California crop, however, was not so rapid. Since September, rice prices advanced materially, especially in the South. The Louisiana farm price rose from \$1.73 per barrel on September 15, to \$2.34 in mid-November. In the same period, the California price advanced from \$1.80 to \$1.87 per barrel.

The first estimate of the 1935-36 rice acreage in India was 74,082,000 acres compared with 75,793,000 acres, the corresponding revised estimate of 1934-35, or a decrease of about 2 percent. The trend of the Indian rice acreage was upward from 1926-27 to 1931-32 and downward since the latter date, with the 1935-36 acreage the smallest since 1929-30. Unfavorable weather conditions restricted seedings in most areas. Some shift from jute to rice production took place in Bengal and Assam, which normally contain about 30 percent of the total Indian rice acreage.

The 1935 Japan rice acreage is the largest since 1932-33, but the Chosen acreage was the smallest since that date. The percentage changes, however, are not particularly significant. The second estimate of the Japanese crop was 17,326,000,000 pounds, or about 1,100,000,000 pounds below the first estimate, but remained above the small 1934 harvest of 16,279,000,000 pounds. The crop was reduced by unfavorable weather conditions and damage from insects in September and October. The Chosen crop was placed at 5,608,000,000 pounds compared with 5,390,000,000 pounds in 1934.

The 1935 Philippine crop is quite small and marketings have been light. The crop was damaged by floods and disease. Planting was delayed by lack of rain in northern Luzon. A larger rice crop is in prospect in

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Italy, but weather was unfavorable during harvest, resulting in some damage to quality and yields. Acreage and production data for reporting countries are given on page 920.

COTTON

Indian cotton acreage and production forecasts higher

The third forecast of Indian cotton acreage for 1935-36 was 24,130,000 acres, according to a cable received from the Director of Statistics at Calcutta. This figure compares with 22,605,000 acres, the forecast this time last year, and a final figure for 1934-35 of 23,830,000 acres. The first production forecast for the 1935-36 crop is given as 4,479,000 bales of 478 pounds each, as against the first forecast for the 1934-35 crop of 3,807,000 bales, and a final figure of 4,022,594 bales. These forecasts indicate an increase of nearly 7 percent in acreage and 18 percent in production over comparable 1934 figures.

Egyptian cotton ginnings

Cotton ginnings in Egypt from September 1 to the end of November have amounted to 1,086,000 bales of 478 pounds net, including scarto or linters, according to a cablegram from the International Institute of Agriculture at Rome. This compares with 873,000 bales ginned to the end of November 1934. Of this season's ginnings, 93,000 bales were of the Sakellaridis variety and 971,000 bales of other varieties, compared with 84,000 and 772,000 bales, respectively, during the corresponding period last season. Total ginnings during the 1934-35 season amounted to 1,566,000 bales.

Chinese imports of cotton continue low

China's cotton situation during November was marked by small imports of, and orders for, foreign cotton, seasonably large arrivals of domestic cotton, higher raw cotton prices, and unprofitable spinning and weaving operations, according to Fred J. Rossiter, Acting Agricultural Commissioner at Shanghai.

November arrivals of the new Chinese crop at Shanghai were quite heavy, amounting to 146,852 bales of 500 pounds. Imports of foreign cotton continued at low levels; during October China imported a total of 4,796 bales, consisting of 2,206 bales American, 1,329 Indian, 1,162 Egyptian, and 99 bales from all other cotton-growing countries. In October 1934 China's imports of raw cotton amounted to 14,467 bales, of

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which American cotton was responsible for over 8,000 bales. Preliminary figures for Shanghai arrivals included 5,906 bales American, 2,400 Indian, 146,852 Chinese, and 1,321 bales Egyptian, a total of 156,479 bales. Foreign imports for October through December are expected to be the smallest in 10 years. Present orders for American cotton for December and January shipment amount to about 15,000 bales and none was booked from India. Mills are reducing their production of higher-count yarn. With continued high prices for yarn and piece goods, brought about by Chinese currency inflation, and higher prices for foreign cotton, it is expected that the consumption of foreign cotton will be below the early 1935-36 estimate of 400,000 bales. Stocks in Shanghai public warehouses as of November 30 were as follows:

500-pound bales

American	23,000
Indian	2,000
Chinese	88,000
Egyptian	<u>1,000</u>
Total	114,000

Prices of Chinese and foreign cotton are the highest in several years. On December 13 Chinese cotton for February delivery was quoted at 11.40 cents per pound, American Middling 7/8's for immediate shipment at 15.48 cents, and Indian Akola at 12.67 cents per pound.

Chinese cotton mills at Shanghai are operating at 65 percent capacity, while the Japanese mills operate near capacity. Several mills expect to reduce operations if present unfavorable relations between raw cotton and yarn continue. Demand for yarn and piece goods has not been sufficient to raise prices in line with raw cotton. For this reason, practically all mills in China report that spinning and weaving operations are unprofitable at the present time. On December 13, yarn for February delivery was quoted at 14.01 cents per pound.

T O B A C C O

Chinese imports of American tobacco continue low

Demand for American flue-cured tobacco in China continues to be low. Imports of American tobacco in October 1935 amounted to 383,000 pounds compared with 744,000 pounds in October 1934 and the 1932-1934 average for that month of 3,930,000 pounds. Reports indicate that

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November imports will be materially above this figure but lower than average imports for that month. In November 1934 imports of American tobacco amounted to 2,879,000 pounds and the 1932-1934 average November imports were 9,577,000 pounds.

Factory production of cigarettes during the past two months was above that for preceding months as a result of a normal increase in demand for this season of the year. The present rate of production, however, is reported below that for the same period a year ago. The lower volume of factory production is largely a result of competition of hand-rolled cigarettes which evade the stamp tax. Since American tobacco is not used in hand-rolled cigarettes, increased production of the latter is a factor unfavorable to the demand for American flue-cured.

The progress of marketing of Chinese flue-cured tobacco so far appears to confirm the estimate of the 1935 crop placed by the Shanghai office at 155,000,000 pounds compared with 140,000,000 pounds produced in 1934 and the average 1930-1933 outturn of 116,000,000 pounds. The leaf marketed this season continued to show lower quality than that of a year ago. Prices in Chinese currency for comparable grades of tobacco are slightly above those of 1934, but the average price for all flue-cured of this year's crop is below 1934 figures due to lower quality.

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FRUITS, VEGETABLES, AND NUTS

European prune-production estimates revised downward

European prune production for 1935 is sharply under that of 1934, with this year's production only 18,800 short tons compared with 35,000 tons in 1934. Revision of the earlier estimate of this season's crop in Yugoslavia, the principal surplus region in Europe, accounts for most of the reduction. Louis G. Michael, Agricultural Attaché at Belgrade, reports that crop failures in important producing districts, together with larger utilization of fresh prunes, has reduced dried-prune production in Yugoslavia to 10,500 tons. N. I. Nielsen, Agricultural Attaché at Paris, now estimates the French crop at 5,000 tons against the 7,000 tons reported earlier in the season, and states further that the remaining stocks in France are mostly small sizes.

The principal export markets for Yugoslav prunes have been Czechoslovakia and Germany. In recent years, Germany has been an increasingly larger consumer of Yugoslav prunes. In the calendar year 1934, 12,650 tons were exported to Germany and 5,700 tons to Czechoslovakia. In sharp contrast, in 1935 up to the end of November, total exports were only 8,130

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tons, of which 1,985 tons were shipped to Germany and 3,300 tons to Czechoslovakia. Most of the exports to Germany were made prior to October, when it is reported that German representatives and Yugoslav exporters were unsuccessful in arranging for extensive additional shipments to Germany.

Export prospects for melons and grapes from Chile

Fewer melons but more grapes will be exported from Chile this spring, according to Renwick S. McNiece, American Consul at Valparaiso. The Chilean Government has fixed a quota for melon exports at 155,000 cases. Little, if any, profit has been made from melon exports to New York for several years. Consequently, the Government is going to direct exports in an attempt to regulate supplies on the New York market. About 120,000 cases of grapes are expected to be available for export from the Llay-Llay district, which is 40 miles northeast of Valparaiso. Last year the crop was severely damaged by frost. The exporting season extends from the middle of February to the last of April. The chief varieties produced are Emperor, Almeria, and Alfonso Lavalle.

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LIVESTOCK, MEAT, AND WOOL

European fat supplies continue limited

There has been little change in recent weeks in the continental European fat situation, which is marked by limited supplies. Sharp decreases in the import duty on lard have been made in Germany, Czechoslovakia, and Austria. Because of the lack of foreign exchange, however, trade in lard is still largely on a barter basis. Germany has recently negotiated or renewed trade agreements with Poland, Denmark, and Hungary, providing for the exchange of German industrial goods for hogs, lard, and other animal products of the other countries. British imports of bacon continued to decline in October. As a result of the quota system for non-Empire countries, imports of bacon into Great Britain from Canada and the Irish Free State have increased materially in the last two years relative to imports from other countries.

Increased feed-crop production in the United States in 1935 is now being reflected in materially heavier weights of hogs slaughtered compared with last year. A considerable increase in the number of pigs produced in late 1935 and 1936 also is likely as a result of the more plentiful supplies and lower prices of feed grains in this country. This increase in the number of pigs produced, however, probably will not be reflected in increased hog slaughter until next summer. See release HP-73, "World Hog and Pork Prospects", December 1935.

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Argentine wool exports decrease

Total wool exports from Argentina in October, the first month of the 1935-36 season, reached 4,860 short tons, grease basis, against 5,927 short tons for October 1934, according to the Buenos Aires office of the Foreign Agricultural Service. The October exports also were somewhat smaller than the September figures. Exports in September, the last month of the 1934-35 season, maintained the advance over 1933-34, which resulted in total exports for 1934-35 reaching 163,135 short tons against 141,644 short tons for 1933-34. Of the 1934-35 exports, fine crossbreds accounted for 28 percent of the total, against 30 percent in the preceding season. Medium and low crossbreds represented 9 percent and 29 percent, respectively, of the 1934-35 total, against 11 percent and 31 percent, respectively, in 1933-34. See table, page 921, for a distribution of the 1934-35 exports of wool by types.

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HIGHER MINIMUM PRICE OF WHEAT AND FLAXSEED IN ARGENTINA

The minimum price of wheat in Argentina was increased from 5.75 to 10 pesos per quintal, or from approximately 54 cents to 90 cents per bushel, by executive decree, effective December 13, 1935, according to cabled advices from Agricultural Attaché P. O. Nyhus at Buenos Aires. At the same time, the minimum price on flaxseed was increased from 11.50 to 14 pesos per quintal, or from approximately 96 cents to \$1.17 per bushel.

The original basic price for wheat of 5.75 pesos was established by executive decree of November 28, 1933. During the first year of its operation, the Argentine Government was called upon to purchase some 147,400,000 bushels of wheat, or about 75 percent of the estimated exportable surplus of the 1933-34 crop. The same minimum price was subsequently extended to the crop year 1934-35, but, inasmuch as the world price level continued above the fixed minimum of 5.75 pesos, the Argentine Government was not required to purchase any wheat from the 1934-35 crop.

On December 12, 1935, the day before the new minimum price became effective, wheat was selling in Buenos Aires for approximately 74 cents per bushel. On the following day, December 13, 1935, the first day under the new minimum price, the closing price was slightly above the new minimum price. Quotations in Buenos Aires to December 18 continued substantially above the minimum.

Fixed price applies to all ports

Under the regulations established on November 28, 1933, the fixed price for wheat of 5.75 pesos applied only to Buenos Aires. The prices

HIGHER MINIMUM PRICE OF WHEAT AND FLAXSEED IN ARGENTINA, CONT'D

at Rosario and Santa Fé were 5.625 and 5.55 pesos, respectively, and at Bahia Blanca the price was fixed at 5.75 pesos "loaded on board vessel". These fixed differentials were intended to cover the difference in the freight, lighterage, and other usual and customary discounts. The price which the farmer received for his wheat was the fixed price at these ports, less freight and other charges covering shipment from the country shipping point.

Under the new decree, the minimum price of 10 pesos per quintal, or 90 cents per bushel, applies not only to Buenos Aires but also to Rosario, Santa Fé, Bahia Blanca, and other ocean and river ports. Since the minimum price is only operative when the world price falls below that fixed by the Government, however, this concession will have no practical effect upon the price of wheat in those markets or upon the price received by the farmer unless the world price of wheat should fall below the Government's minimum. Incidentally, it may be noted that the Argentine wheat crop this year is not expected to exceed 150,000,000 bushels, so that if the Government should be called upon to purchase wheat at the minimum price, the volume of its purchases would be considerably smaller than it was during the crop year 1933-34 when the Government, as pointed out above, was required to purchase some 147,400,000 bushels of wheat at the then fixed minimum of 5.75 pesos per quintal.

Minimum price for flaxseed

Since the minimum price on flaxseed was originally established on November 28, 1933, the world price has continued above the Argentine Government's minimum, so that the Government has never been called upon to go into the flaxseed market. As in the case of wheat, the price of flaxseed made a substantial advance on the date the new minimum price became effective December 13, and since that time has continued well above the Government's minimum. On December 17, for example, the closing price of flaxseed at Buenos Aires for February delivery was 14.47 pesos per quintal, or \$1.20 per bushel. Unlike wheat, however, this fixed price will continue to apply only at Buenos Aires.

The fixed prices at Rosario and Santa Fé are, respectively, 12.5 and 20 centavos per quintal less, or approximately 1 and 1.5 cents per bushel, which is substantially the amount by which the ocean freights for up-river ports exceed those from Buenos Aires. As in the case of wheat, these minimum prices will have no practical effect unless the world price of flaxseed should fall below the price fixed by the Argentine Government.

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SUBSTANTIAL INCREASE IN MEDITERRANEAN BASIN OLIVE-OIL PRODUCTION a/

Production of edible olive oil from the 1935 olive crop in the Mediterranean Basin is estimated to be 22 percent above that produced from the 1934 olive crop and about 16 percent larger than the 6-year average production during 1929-1934, according to a report received from Agricultural Attaché N. I. Nielsen, at Paris. The production forecast is 1,050,000 short tons of edible oil as compared with 858,800 tons from the 1934 olive crop and an average 902,000 tons for the 6 years 1929-1934. Compared with last year, production varies greatly in the different countries, with the largest increase indicated in Spain.

The foreign trade in edible olive oil between the producing countries in the Mediterranean Basin was not as active in 1934 as in 1933, and was much lower than the average for the 6-year period 1929-1934. Total exports in 1934 amounted to 166,675 tons as compared with 204,392 tons in 1933 and 216,658 tons for the 6-year average. On the import side, the change has not been so pronounced. Total imports of edible oil into the producing countries were 73,715 tons in 1934 as compared with 84,558 in 1933 and the 6-year average of 91,539 tons. Net exports in 1934, therefore, amounted to only 92,960 tons as compared with 119,834 tons in 1933 and 125,119 tons for the 6-year period.

Consumption of edible olive oil for all purposes in the producing countries of the Mediterranean Basin averaged 777,000 tons for the 6-year period 1929-1934. During the same period, non-producing countries imported an annual average of 125,000 tons, which brought the estimated total annual world consumption of edible oil for the period 1929-1934 to 892,000 tons. It is estimated that stocks of olive oil in the producing countries on January 1, 1936, will be below those in existence on January 1, 1935, and much below what they have been in recent years. These smaller stocks will be offset, however, by the larger oil production from the 1935 olive crop, with the result that supplies in 1936 will be ample to satisfy world requirements and allow for a carry-over into 1937.

Production

The 1,050,000 tons of edible olive oil expected to be produced in the Mediterranean Basin from the 1935 olive crop should be regarded as a minimum, since they do not include the quantity of edible oil refined from sulphur oil. See table, page 915. The amount of sulphur oil refined during 1935 is now known to have been below normal, however, and indications are that the quantity will again be smaller than usual in 1936.

Olive oil production from the 1935 Spanish olive crop is expected to be the largest since the abnormally high yield of 1929-30, even though the size of the olives this year was reduced by summer drought. Production is forecast at 525,000 short tons compared with 320,000 tons produced last year and a 1929-1934 average of 362,500 tons. As there was little fly damage, the oil content of the olives this year is expected to be high.

a/ Based on a report from N. I. Nielsen, Agricultural Attaché, Paris, France.

SUBSTANTIAL INCREASE IN MEDITERRANEAN BASIN OLIVE-OIL PRODUCTION, CONT'D

OLIVE OIL: Production in Mediterranean Basin countries, average
1928-29 to 1933-34, annual, 1932-33 to 1935-36

Country	Average				
	1928-29	1932-33	1933-34	1934-35 (Preliminary)	1935-36 (forecast)
	Short	Short	Short	Short	Short
	tons	tons	tons	tons	tons
Europe:					
Spain	362,483	383,700	341,900	a/320,000	525,000
Italy	225,700	223,700	180,600	239,000	245,000
Greece	113,733	147,600	116,200	121,000	85,000
Portugal	53,583	36,200	82,600	26,800	60,000
France	7,367	13,200	5,000	12,100	8,000
Yugoslavia	5,332	4,100	4,700	4,300	4,000
Near East:					
Turkey	27,817	36,500	20,000	33,000	17,000
Palestine	2,383	1,400	800	1,000	6,000
Syria-Lebanon	12,317	4,600	17,500	10,600	12,000
Africa:					
French Morocco	10,250	8,800	8,100	12,500	8,000
Algeria	20,717	14,800	9,200	15,000	10,000
Tunisia	57,217	66,000	66,200	61,000	67,000
Tripolitania	3,033	2,800	2,500	2,500	3,000
Total	901,933	945,400	855,300	858,800	1,050,000

Paris office, Foreign Agricultural Service.

a/ Spanish Government reported 251,600 tons.

In Italy, a somewhat irregular olive crop makes it difficult to forecast the production of oil, but present estimates indicate that the crop will not differ much from that of last season, which was slightly above average. In general, the quality is expected to be good, except for Sicily, where the olive fly has caused considerable damage.

Olive-oil production in Greece from the 1935 olive crop is expected to be much smaller than from the 1934 crop. At present, production estimates indicate that 85,000 tons of oil will be produced from the 1935 olive crop as compared with 121,000 tons produced last season, and an average of 113,700 tons during the 6-year period 1929-1934. The condition of the olives, however, is reported to be satisfactory and a good-quality oil is expected from this country.

As far as can be determined, Portugal produced 26,800 tons of olive oil from the 1934 olive crop. This year the production outlook was very good at the beginning of the season, but since that time excessive heat and dry weather have reduced prospects somewhat. It is now estimated that oil production from the 1935 olive crop will be about 60,000 tons. While this is much higher than last year's production, it is only slightly above the 1929-1934 average of 53,600 tons.

SUBSTANTIAL INCREASE IN MEDITERRANEAN BASIN OLIVE-OIL PRODUCTION, CONT'D

Tunisia, an important producer of olives, but only a minor consumer of olive oil, plays a very important part in international trade, as most of its oil production is exported. This season, the olive crop is again good, and estimates indicate that production will reach 67,000 tons, which is slightly larger than last season's production of 61,000 tons and above the 1929-1934 average of 57,217 tons. Of the minor olive-oil-producing countries, production smaller than last season is anticipated in Turkey, French Morocco, and Algeria, while in Palestine, Syria, and Tripolitania production is expected to be larger than that of last year.

Exports

During the past 6 years, the heaviest gross exports of olive oil from the important producing countries occurred in 1930, due to the bumper olive crops harvested in Spain and Italy. Gross exports from these countries in 1931, 1932, and 1933 ranged between 200,000 and 223,000 tons, but in 1934 only 166,675 tons were exported.

OLIVE OIL: Trade in Mediterranean Basin
producing countries, 1929-1934

Country	1929	1930	1931	1932	1933	1934
	Short	Short	Short	Short	Short	Short
Exports:	tons	tons	tons	tons	tons	tons
Spain	56,507	117,593	103,244	69,258	47,468	57,643
Italy	67,093	59,424	48,072	37,165	26,315	17,349
Greece	13,394	7,929	8,077	30,610	25,518	7,461
Portugal ...	1,662	4,002	1,986	4,326	3,608	3,374
France	7,158	13,801	12,142	10,976	11,568	10,091
Turkey	16,929	5,215	22,084	2,724:a/	20,000:a/	8,000
Algeria	12,223	24,800	8,366	17,425	6,914	5,528
Tunisia	41,000	46,718	13,775	22,715	62,036	53,029
Others b/...	7,481	3,945	4,579	4,484	965	4,200
Total	223,447	283,427	222,325	199,683	204,392	166,675
Imports:						
Spain	-	-	-	-	-	-
Italy	49,824	66,142	90,096	41,634	40,856	31,172
Greece	-	-	-	-	-	*
Portugal....	1,120	13,227	3,495	1,631	4,531	2,743
France	22,235	35,775	22,977	29,114	30,484	30,590
Turkey	21	259	2	-	-	-
Algeria	81	34	24	43	829	1,310
Tunisia	6	75	355	406	-	-
Others b/...	3,962	2,897	2,684	2,841	7,858:a/	7,900
Paris Total	77,249	118,409	119,633	75,669	84,558	73,715

Paris office, Foreign Agricultural Service Division.

a/ Estimated. b/ Other countries include Yugoslavia, Palestine, Syria and Lebanon, French Morocco, and Tripolitania.

SUBSTANTIAL INCREASE IN MEDITERRANEAN BASIN OLIVE-OIL PRODUCTION, CONT'D

Several of the olive-oil-producing countries are also substantial importers of this product. During the 6-year period 1929-1934, 42 percent of the total gross exports of edible olive oil were taken by these countries, and during the last 5 years Italy has imported more than it exported. Imports of olive oil by non-producing countries averaged 58 percent of all gross exports during that period, or about 125,000 tons. This compares with imports of 92,960 tons in 1934, which was 28 percent below the 6-year average.

While there is not a great deal of information available as yet regarding the 1935 net exports from producing countries, it is estimated that they will show a small increase over those of 1934. On the basis of statistics already released and information secured from the trade, it appears probable that the net exports for 1935 will be about 105,000 tons.

During the past 6 years, the United States has imported an average of 38,500 tons of edible olive oil annually. See table below. This represented about 31 percent of the average net export trade of the olive-oil-producing countries of the Mediterranean Basin during that period.

OLIVE OIL (EDIBLE): Exports from producing countries
and imports into the United States, 1929-1934

Year	Net exports from producing coun- tries	United States imports	United States imports in percentage of net exports
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
1929	146,198	48,399	33
1930	165,018	46,482	28
1931	102,692	35,195	34
1932	124,014	37,137	30
1933	119,834	35,982	30
1934	92,960	27,999	30
Average	125,119	38,532	31

Paris office, Foreign Agricultural Service Division.

Although American imports of olive oil have declined since 1929, the relation of these imports to total net exports from the producing countries has not varied to any great extent. Practically all edible olive oil imported into the United States in small containers ready for distribution comes from Italy, whereas most of the bulk oil (oil in drums) comes from Spain. See table, page 918. Usually, imports into the United States under these two classifications have been almost equally divided up to and including the year 1933. In 1934, however, the greater proportion of oil coming into the United States was in drums.

SUBSTANTIAL INCREASE IN MEDITERRANEAN BASIN OLIVE-OIL PRODUCTION, CONT'D

OLIVE OIL (EDIBLE): Imports into the United States,
1931 - 1935 a/

Country of origin	1931	1932	1933	1934	January - August	
					1934	1935
	Short	Short	Short	Short	Short	Short
	tons	tons	tons	tons	tons	tons
In less than 40-pound packages:						
France	504:	370:	328:	287:	222:	182
Italy	15,750:	16,185:	15,570:	10,949:	7,225:	8,267
Spain	1,361:	1,445:	1,245:	1,012:	711:	841
Others	99:	51:	64:	54:	38:	50
Total	17,714:	18,051:	17,207:	12,302:	8,196:	9,340
In packages of 40 pounds or more:						
France	852:	475:	879:	919:	655:	567
Italy	5,359:	6,177:	6,324:	3,896:	2,720:	3,830
Spain	10,645:	11,581:	9,778:	10,688:	7,003:	8,337
Algeria and Tunisia	517:	564:	634:	82:	81:	148
Others	208:	229:	1,160:	112:	90:	439
Total	17,481:	19,086:	18,775:	15,697:	10,549:	13,321
Total	35,195:	37,137:	35,982:	27,999:	18,745:	22,661

Paris office, Foreign Agricultural Service Division.

a/ Imports during 1929 amounted to 48,399 tons and in 1930 to 46,482 tons.

Consumption

The olive-oil-producing countries of the Mediterranean Basin are by far the largest consumers of this product. During the 6-year period 1929-1934, these countries consumed annually an average of 777,000 tons, or 87 percent of a total world olive-oil consumption of 892,000 tons. It has been contended that the trend of olive-oil consumption in the producing countries in recent years has been definitely downward. Since olive oil is so essential in the diet of the people in the Mediterranean Basin, however, and since prices have declined, it is not thought that there was much, if any, decline in consumption in the producing countries as a whole.

It is believed that in 1935 domestic consumption of olive oil in the producing countries was at least average. In Spain, edible olive oil faces no competition, contrary to the situation in some of the other producing countries. In Italy, it was estimated that olive-oil consumption

SUBSTANTIAL INCREASE IN MEDITERRANEAN BASIN OLIVE-OIL PRODUCTION, CONT'D

was above average in 1935. This is mainly due to the fact that imports of oilseeds have been on a quota basis since February 15, 1935, and also to an increase in August 1934 of the tax on the manufacture of seed oils from 65 to 120 lire per quintal (\$2.39 to \$3.68 per 100 pounds).

OLIVE OIL (EDIBLE): Estimated average consumption in important producing countries, 1929-1934

Country	Average production	Average exports	Average imports	Estimated average annual consumption
	Short tons	Short tons	Short tons	Short tons
Spain	362,483	75,288	-	287,197
Italy	225,700	42,570	53,287	236,417
Greece	113,733	15,498	-	98,235
Portugal	53,583	3,160	4,458	54,881
France	7,367	10,956	28,529	24,940
Turkey	27,817	12,492	47	15,372
Algeria	20,717	12,543	387	8,561
Tunisia	57,217	39,879	140	17,478
Others	33,316	4,274	4,691	33,733
Total	901,933	216,658	91,539	776,814

Paris office, Foreign Agricultural Service Division.

Supplies

While there is no definite information available on olive-oil stocks in the producing countries, a brief review of conditions since 1930 may give some idea of existing old-crop supplies. In 1930, supplies greatly exceeded both domestic and foreign requirements, with the result that old-crop stocks in producing countries on January 1, 1931, were very heavy. Supplies of new-crop oil in 1931 were small but, with a carry-over from the preceding season, there was again enough oil during that year to satisfy both domestic and foreign requirements. The carry-over on January 1, 1932, however, was substantially under that of the preceding year. In both 1932 and 1933, production was above world requirements, so that on January 1, 1934, the carry-over had again reached a large figure. With production in 1934 and 1935 below average, available supplies have decreased since January 1, 1934. This decrease has been indirectly encouraged by several restrictive governmental measures recently adopted both in Italy and Spain regarding the production of seed and sulphur oils.

There is no doubt that on January 1, 1936, stocks of old-crop edible olive oil in the producing countries will be somewhat smaller than they were on January 1, 1935, and below those of recent years. This small carry-over, however, should be offset by the increased production from the 1935 olive crop, so that total supplies of oil available for 1936 should be more than sufficient for both domestic and foreign requirements.

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RICE: Area and production in specified countries,
1932-33 to 1935-36

Country	1932-33	1933-34	1934-35	1935-36 <u>a/</u>
	Thousand	Thousand	Thousand	Thousand
AREA	acres	acres	acres	acres
United States	873:	792:	781:	784
Italy	335:	331:	323:	340
Bulgaria	19:	17:	20:	19
Egypt	489:	438:	387:	459
India <u>b/</u>	75,132:	75,080:	75,393:	74,082
Japan	7,983:	7,778:	7,775:	7,855
Chosen	4,027:	4,160:	4,195:	4,127
Taiwan <u>c/</u>	700:	708:	713:	733
Total of countries reported for 1935	89,558:	89,304:	89,587:	88,399
	Million	Million	Million	Million
PRODUCTION <u>d/</u>	pounds	pounds	pounds	pounds
United States	1,146:	1,029:	1,064:	1,068
Italy	894:	941:	840:	895
Bulgaria	22:	19:	26:	25
Egypt	749:	727:	-	-
India <u>b/</u>	66,695:	69,133:	66,819:	-
Japan	18,972:	22,251:	16,279:	17,926
Chosen	5,135:	5,866:	5,390:	5,608
Taiwan <u>c/</u>	1,330:	1,237:	1,417:	1,395
Total of countries reported for 1935	27,499:	31,343:	25,016:	26,917

Division of Statistical and Historical Research.

a/ Preliminary. b/ First forecast. c/ First crop only. d/ In terms of
cleaned rice.

SCOTLAND: Production of specified crops,
1930 - 1935

Year	Wheat	Barley	Oats	Potatoes
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1930	2,128	4,433	45,290	32,107
1931	1,792	3,453	43,540	26,133
1932	2,240	3,080	52,220	42,635
1933	3,472	2,660	48,580	40,208
1934	4,144	4,200	45,150	38,267
1935	4,443	3,547	47,670	33,077

Official sources.

ARGENTINA: Wool exports, 1934-35
(Grease wool basis)

1934-35	Fine	Fine cross-breds	Medium cross-breds	Low cross-breds	Bollies	"Criollo": or native	Fri-a/ gorifico (washed)	Lavada (scoured) a/
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
October...	222	1,396	286	1,606	9	105	1,305	999
November...	509	2,432	724	1,970	193	249	1,058	1,623
December...	1,220	4,697	1,829	3,542	382	209	774	2,094
January...	1,353	5,109	2,006	6,350	809	682	590	2,623
February...	2,350	5,536	2,555	6,565	796	330	677	2,066
March	2,546	6,165	2,306	5,654	833	368	697	2,254
April	710	6,624	1,110	5,453	971	403	626	2,561
May	674	4,740	1,264	4,378	801	96	614	2,217
June	830	4,655	1,349	5,841	696	713	428	2,938
July	191	2,034	507	3,292	534	205	785	2,454
August	109	1,033	178	2,034	335	104	588	2,343
September...	252	820	256	1,079	235	152	610	1,567
Total...	10,266	45,291	14,370	47,764	6,594	3,616	8,752	25,739

Argentine Bureau of Statistics. a/ Original weights converted to grease wool basis as follows: Washed wool to yield 85 percent (15 percent shrinkage); scoured wool to yield 65 percent (35 percent shrinkage).

FRANCE: Area and production of specified crops,
1930-31 to 1935-36

Crop year	Corn	Potatoes	Sugar beets	Flaxseed
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Acreage:				
1930-31	833	3,532	698	75
1931-32	855	3,533	621	26
1932-33	840	3,492	653	23
1933-34	832	3,436	675	37
1934-35	839	3,484	670	58
1935-36	831	3,477	764	82
	1,000 bushels	1,000 bushels	1,000 short tons	1,000 bushels
Production:				
1930-31	22,379	511,575	10,409	749
1931-32	24,622	598,908	6,829	233
1932-33	16,115	605,675	8,367	224
1933-34	17,122	544,604	8,224	183
1934-35	20,072	611,891	9,204	429
1935-36	20,983	515,105	9,545	506

Official sources.

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